

INSURANCE REGULATORY TRUST FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2006

	August-06				July-06				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month				Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	FYTD	FY06	6/30/2006	6/30/2006
									Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
Los Angeles Capital	84,341	2.2%	2.3%	2.18%	76,112	2.1%	2.3%	-3.69%	-1.59%	11.12%	N/A	N/A
Total Structured Growth	84,341	2.2%	2.3%	2.18%	76,112	2.1%	2.3%	-3.69%	-1.59%	11.12%	12.01%	-0.32%
Russell 1000 Growth				3.12%				-1.90%	1.16%	6.12%	8.35%	-0.76%
Structured Value												
LSV	94,189	2.5%	2.3%	0.96%	86,047	2.3%	2.3%	2.03%	3.00%	15.05%	21.14%	12.22%
Russell 1000 Value				1.67%				2.43%	4.14%	12.10%	15.70%	6.89%
Russell 1000 Enhanced Index												
LA Capital	169,095	4.5%	4.5%	2.07%	152,751	4.1%	4.5%	-1.08%	0.97%	11.58%	N/A	N/A
Russell 1000				2.40%				0.22%	2.62%	9.08%	N/A	N/A
S&P 500 Enhanced Index												
Westridge	203,048	5.4%	4.5%	2.41%	182,829	4.9%	4.5%	0.65%	3.07%	8.77%	N/A	N/A
S&P 500				2.38%				0.62%	3.01%	8.63%	N/A	N/A
Index												
State Street	62,723			2.06%	56,651			0.85%	2.93%	9.51%	11.47%	2.62%
Total Index	62,723	1.7%	1.5%	2.06%	56,651	1.5%	1.5%	0.85%	2.93%	9.51%	11.47%	2.62%
S&P 500				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	613,396	16.3%	15.0%	2.02%	554,391	14.9%	15.0%	-0.22%	1.79%	10.95%	13.63%	3.95%
S&P 500				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	204,725	5.4%	5.0%	2.34%	176,694	4.8%	5.0%	-3.55%	-1.29%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				3.13%				-3.09%	-0.06%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	204,725	5.4%	5.0%	2.34%	176,694	4.8%	5.0%	-3.55%	-1.29%	13.58%	18.20%	7.86%
Russell 2000				2.96%				-3.25%	-0.39%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY												
Large Cap - Active												
Capital Guardian	169,917	4.5%	4.0%	3.54%	148,313	4.0%	4.0%	0.77%	4.34%	28.07%	20.99%	6.90%
LSV	163,817	4.3%	4.0%	3.02%	143,764	3.9%	4.0%	1.24%	4.29%	27.09%	N/A	N/A
Total Large Cap - Active	333,734	8.9%	8.0%	3.28%	292,078	7.9%	8.0%	1.00%	4.31%	27.66%	21.92%	12.63%
MSCI EAFE - 50% Hedged				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
Small Cap - Value												
Lazard	39,595	1.1%	1.0%	2.80%	34,779	0.9%	1.0%	-2.41%	0.32%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				2.90%				-2.02%	0.82%	29.28%	32.40%	N/A
Small Cap - Growth												
Vanguard	40,283	1.1%	1.0%	2.36%	35,544	1.0%	1.0%	-0.50%	1.85%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				2.90%				-2.02%	0.82%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	413,613	11.0%	10.0%	3.15%	362,401	9.8%	10.0%	0.51%	3.68%	27.35%	23.83%	8.67%
MSCI EAFE - 50% Hedged				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	495,211	13.1%	11.7%	1.76%	456,232	12.3%	11.7%	1.65%	3.45%	-0.90%	7.36%	8.59%
Lehman Aggregate				1.53%				1.35%	2.90%	-0.81%	2.05%	4.97%
Core Plus/Enhanced												
Clifton Group	112,786	3.0%	3.9%	1.43%	104,206	2.8%	3.9%	N/A	N/A	N/A	N/A	N/A
Prudential	111,630	3.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	224,416	6.0%	3.9%	1.43%	104,206	2.8%	3.9%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.53%				1.35%				
Index												
Bank of ND	215,404	5.7%	7.8%	1.04%	302,353	8.1%	7.8%	1.08%	2.14%	-1.14%	1.14%	4.90%
Lehman Gov/Credit (1)				1.58%				1.30%	2.90%	-1.52%	1.04%	4.78%
BBB Average Quality												
Wells Capital (formerly Strong)	494,317	13.1%	11.7%	1.95%	454,729	12.3%	11.7%	1.51%	3.49%	-2.11%	2.63%	N/A
Lehman US Credit BAA				2.02%				1.58%	3.63%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	1,429,348	38.0%	35.0%	1.64%	1,317,520	35.5%	35.0%	1.43%	3.09%	-1.39%	6.59%	7.79%
Lehman Aggregate (2)				1.53%				1.35%	2.90%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS												
Bank of ND	1,105,018	29.3%	35.0%	0.45%	1,300,313	35.0%	35.0%	0.45%	0.90%	4.50%	2.71%	2.42%
90 Day T-Bill				0.44%				0.42%	0.87%	4.00%	2.37%	2.25%
TOTAL INSURANCE REGULATORY TRUST	3,766,100	100.0%	100.0%	1.46%	3,711,318	100.0%	100.0%	0.50%	1.97%	5.75%	6.91%	5.04%
POLICY TARGET BENCHMARK				1.49%				0.65%	2.15%	5.67%	6.18%	4.35%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.